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|---|---------------------------------|
| Council/Agency Meeting Held: _____  | City Clerk's Signature _____    |
| Deferred/Continued to: _____  |                                 |
| <input type="checkbox"/> Approved <input type="checkbox"/> Conditionally Approved <input type="checkbox"/> Denied |                                 |
| Council Meeting Date: 3/21/2005   | Department ID Number: PW 05-016 |

## CITY OF HUNTINGTON BEACH REQUEST FOR CITY COUNCIL ACTION

**SUBMITTED TO:** HONORABLE MAYOR AND CITY COUNCIL MEMBERS  
**SUBMITTED BY:** *Penelope Culbreth Graft*  
 PENELOPE CULBRETH-GRAFT, CITY ADMINISTRATOR  
**PREPARED BY:** PAUL EMERY, ACTING DIRECTOR OF PUBLIC WORKS  
**SUBJECT:** Accept Annual Sewer Facilities Fund Report

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 2005 MAR -9 A 9:11

Statement of Issue, Funding Source, Recommended Action, Alternative Action(s), Analysis, Environmental Status, Attachment(s)

**Statement of Issue:** In accordance with Section 14.36 of the Huntington Beach Municipal Code (HBMC), the Public Works Department is required to prepare an annual report of the status of the Sanitary Sewer Fund for the City Council. The process provides an opportunity to review planned projects, revenues, and expenditures for the program.

**Funding Source:** No funding is required for this action.

**Recommended Action:** Motion to: Accept the Annual Sanitary Sewer Facilities Fund Report for FY 2003/2004.

**Alternative Action:** Recommend revisions to the annual report.

(continued on next page)

E-17

## REQUEST FOR ACTION

MEETING DATE: 3/21/2005

DEPARTMENT ID NUMBER: PW 05-016

**Analysis:** Section 14.36.070 (d) requires the City Council to review the status of compliance with this Chapter, including the revenues collected and the funds expended. The following information conforms to the requirements of the HBMC regarding revenues and expenditures of the Sanitary Sewer Fund. Although this requirement became effective with the adoption of the revised ordinance in July 2003, the Sewer Facilities Fund has existed since 1988. The following information covers Fiscal Year 2003/2004.

### **Fiscal Status**

During FY 2003/04, the fund was credited with \$275,000 in developer fees. Expenditures of \$155,000 were primarily salaries for the OCSD Bushard Trunk Line inspection. Revenue sufficient to mitigate staff costs for the Bushard project was received from the OCSD contractor in FY 2002/03. Attachment 1 details revenues and expenditures. The available fund balance as of September 30, 2004 is zero.

Not included in this figure are monies owed the Sanitary Sewer Facilities Fund by the Huntington Beach Redevelopment Agency. With interest accrual, the debt amount is approximately \$350,000.

### **Revenue**

Revenue for FY 2003/04 met estimates of approximately \$200,000. Projections for FY 2004/05 are consistent with the previous year. A payment of \$12,000 for capital facility improvement was received from the Sunset Beach Sanitary District.

### **Adjustments**

Interest credited in FY 2002/03 was reduced by \$6,000 to reflect the fund balance. An adjustment of \$60,000 will be made in FY 2004/05 for salaries inadvertently charged to the sewer connection fund. The erroneous posting has been corrected.

### **Capital Project Expenditures**

No projects are scheduled in the FY 2004/05 Capital Improvement Program utilizing the Sanitary Sewer Facilities Fund. A final payment of \$195,000 for the completion of the Brookhurst/Effingham station was carried forward from FY 2002/03.

### **Conformance with Program Goals and Objectives**

The Sanitary Sewer Facilities Fund is intended to implement the goals and objectives of the current Sewer Master Plan. Funds collected and deposited to the fund may be expended solely for the construction or reimbursement for construction of sanitary sewer facilities. The Fund is in compliance with these requirements.

**Public Works Commission Action:** The Public Works Commission reviewed and unanimously recommended acceptance of the report on February 16, 2005.

E-17.2

## REQUEST FOR ACTION

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**Environmental Status:** Not applicable

**Attachment(s):**

| City Clerk's<br>Page Number | No. | Description                           |
|-----------------------------|-----|---------------------------------------|
| 4                           | 1.  | Revenue and Expenditures FY 2003/2004 |

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# ATTACHMENT #1

E-17.4

**Sanitary Sewer Facilities Fund  
Annual Report Fy 2003/2004**

|                                |           |                  |
|--------------------------------|-----------|------------------|
| <b>Beginning Balance 10/03</b> | <b>\$</b> | <b>(233,000)</b> |
| <b>Revenue</b>                 |           |                  |
| From other agencies            | \$        | 12,000           |
| Developer fees                 | \$        | 275,000          |
| Interest Adjustment            | \$        | (6,000)          |
| <b>Total Revenue</b>           | <b>\$</b> | <b>281,000</b>   |
| <b>Expenditures</b>            |           |                  |
| Salary                         | \$        | (151,000)        |
| Brookhurst/Effingham Station   | \$        | (4,000)          |
| <b>Total Expenditures</b>      | <b>\$</b> | <b>(155,000)</b> |
| <b>Beginning Balance 10/04</b> | <b>\$</b> | <b>(107,000)</b> |
| Estimated revenue              | \$        | 200,000          |
| Salary corrections (03/04)     | \$        | 60,000           |
| Estimated expenditures         | \$        | (195,000)        |
| <b>Estimated Balance 10/05</b> | <b>\$</b> | <b>(42,000)</b>  |